NUEXCO

NUEXCO MONTHLY REPORT
November 1989, No. 255

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EXECUTIVE SUMMARY
(All data as of October 31, 1989)

Exchange Value
$9.40, down $0.20

The **Exchange Value** is **$9.40** per pound U_3O_8, down $0.20 from last month.

UF_6 Value
$28.25, down $1.50

The **UF_6 Value** is **$28.25** per kg U as UF_6, down $1.50 from last month.

Natural Uranium Sales; Supply and Demand

Six recent natural uranium sales are reported, involving approximately **1.1 million** pounds equivalent U_3O_8. All of these sales involved spot or near-term delivery and met the conditions for inclusion in the Transaction Value. Active spot and near-term **uranium supply** amounts to **7.9 million** pounds U_3O_8 equivalent, up approximately 2.7 million pounds since last month. Active spot and near-term **uranium demand** totals **5.9 million** pounds, up about 1.3 million pounds from last month. The spot and near-term **supply-demand ratio,** at **1.3 to 1,** increased slightly from last month's ratio of 1.2 to 1.

Transaction Value
$9.65, down $0.15

The **Transaction Value** is **$9.65** per pound U_3O_8, down $0.15 from last month. The calculation includes 17 transactions involving a total of approximately 2.5 million pounds U_3O_8 equivalent and covers a period of four months.

Loan Rate
3.5%, unchanged

The **Loan Rate** is **3.5 percent** per annum, unchanged. One natural uranium loan is reported.

Conversion Value
$1.80, down $0.10

The **Conversion Value** is **$1.80** per pound U as UF_6, down $0.10 since last month. Three transactions for conversion services are reported.

SWU Value
$59, down $4

The **SWU Value** dropped $4 to **$59** per SWU. Two enrichment transactions are reported. Active demand is about the same as last month at 570 thousand SWU.

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US High-level Waste Program

Hampered by bureaucratic and political intervention, DOE's program for the permanent disposal of high-level nuclear waste in the USA has fallen far behind its original timetable. As criticism of DOE's management mounts, DOE plans to restructure its waste program.

Special Interview

Evidencing the recent spread of glasnost to the nuclear fuel industry, Mr. Boris V. Nikipelov, First Deputy Minister of the Soviet Ministry of Atomic Energy and Industry, shared with NUEXCO additional information about Techsnabexport and its growing commercial presence in the international nuclear fuel market.

Euratom Supply Agency

For more than thirty years, the Euratom Supply Agency has overseen uranium contracting practices of the European Community, acting primarily as an administrative agency. In 1988, however, the Agency expanded its purview and began inhibiting certain transactions, which aroused some criticism. NUEXCO examines the role, legal limitations, and political structure of the Supply Agency as we enter the 1990s.

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NUEXCO REPORT 255 FIGURES OF THE MONTH (October 31, 1989)	This Month (Report 255)	Last Month (Report 254)	12 Months Ago (Report 243)
Exchange Value ($US per pound U_3O_8)	9.40	9.60	13.15
US Premium for the Exchange Value ($US per pound U_3O_8)	—	—	0
UF_6 Value ($US per kg U as UF_6)	28.25	29.75	39.00
US Premium for the UF_6 Value ($US per kg U as UF_6)	—	—	0
Transaction Value ($US per pound U_3O_8 equivalent)	9.65	9.80	14.40
Loan Rate (Per Annum)	3.5%	3.5%	3.5%
Conversion Value ($US per pound U as UF_6)	1.80	1.90	1.95
Near-Term Uranium Supply[1] (millions of pounds U_3O_8)	7.9	5.2	6.4
Near-Term Uranium Demand[2] (millions of pounds U_3O_8)	5.9	4.3	1.2
Near-Term Supply-Demand Ratio	1.3	1.2	5.6
Recent Uranium Sales:[3]			
Number of Transactions	6	9	7
Quantity of Material (Millions of pounds U_3O_8 equivalent)	1.1	5.1	3.9
Nuexco SWU Value: ($US per SWU)[3]			
at 0.3 tails assay	59	63	65
US DOE SWU Prices: ($US per SWU)			
USEC	117.00[4]	117.00[4]	117.00[4]
AFC	153.00[6]	153.00[6]	153.00[6]
Requirements	157.00[6]	157.00[6]	157.00[6]
Incentive Price	90.00[7]	90.00[7]	90.00[7]
Market Value of Enriched UF_6[8]: ($US per kg U as UF_6)			
2.5 w/o U_{235}	303	317	372
3.0 w/o U_{235}	389	408	477
3.5 w/o U_{235}	478	501	583
4.0 w/o U_{235}	568	596	691

[1]Active inquiries to sell, for delivery within 12 months after contract signing.
[2]Active inquiries to purchase, for delivery within 12 months after contract signing.
[3]Uranium sales only; does not include loans, conversion, or SWU transactions.
[4]Effective since 10/1/87.
[5]Effective since 10/1/86.
[6]Effective since 10/1/84.
[7]Effective since 10/1/86, for up to 30% of annual requirements.
[8]Calculated using the NUEXCO Exchange Value, Conversion Value, SWU Value and 0.30 percent tails assay.

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